

Adopted	Rejected
---------	----------

COMMITTEE REPORT

YES:	18
NO:	0

MR. SPEAKER:

Your Committee on **Ways and Means**, to which was referred Senate Bill 327, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 6-1.1-1-3.5 IS ADDED TO THE INDIANA
4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. "Base rate" means the**
6 **statewide agricultural land base rate value per acre used to**
7 **determine the true tax value of agricultural land under:**
8 **(1) the real property assessment guidelines of the department**
9 **of local government finance; or**
10 **(2) rules or guidelines of the department of local government**
11 **finance that succeed the guidelines referred to in subdivision**
12 **(1).**
13 SECTION 2. IC 6-1.1-3-23 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
15 Sec. 23. (a) For purposes of this section:

- 1 (1) "adjusted cost" refers to the adjusted cost established in 50
- 2 IAC 4.2-4-4 (as in effect on January 1, 2003);
- 3 (2) "depreciable personal property" has the meaning set forth in 50
- 4 IAC 4.2-4-1 (as in effect on January 1, 2003);
- 5 (3) "integrated steel mill" means a person that produces steel by
- 6 processing iron ore and other raw materials in a blast furnace **in**
- 7 **Indiana;**
- 8 (4) "oil refinery/petrochemical company" means a person that
- 9 produces a variety of petroleum products by processing an annual
- 10 average of at least one hundred thousand (100,000) barrels of
- 11 crude oil per day;
- 12 (5) "permanently retired depreciable personal property" has the
- 13 meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1,
- 14 2003);
- 15 (6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in
- 16 effect on January 1, 2003);
- 17 (7) "special integrated steel mill or oil refinery/petrochemical
- 18 equipment" means depreciable personal property, other than
- 19 special tools and permanently retired depreciable personal
- 20 property:
- 21 (A) that:
- 22 (i) is owned, leased, or used by an integrated steel mill or an
- 23 entity that is at least fifty percent (50%) owned by an
- 24 affiliate of an integrated steel mill; and
- 25 (ii) falls within Asset Class 33.4 as set forth in IRS Rev.
- 26 Proc. 87-56, 1987-2, C.B. 647; or
- 27 (B) that:
- 28 (i) is owned, leased, or used as an integrated part of an oil
- 29 refinery/petrochemical company or its affiliate; and
- 30 (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS
- 31 Rev. Proc. 87-56, 1987-2, C.B. 647;
- 32 (8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as
- 33 in effect on January 1, 2003); and
- 34 (9) "year of acquisition" refers to the year of acquisition
- 35 determined under 50 IAC 4.2-4-6 (as in effect on January 1,
- 36 2003).
- 37 (b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
- 38 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the

taxpayer's special integrated steel mill or oil refinery/petrochemical equipment by multiplying the adjusted cost of that equipment by the percentage set forth in the following table:

	Year of Acquisition	Percentage
	1	40%
	2	56%
	3	42%
	4	32%
	5	24%
	6	18%
	7	15%
	8 and older	10%

(c) The department of local government finance shall designate the table under subsection (b) as "Pool No. 5" on the business personal property tax return.

(d) The percentage factors in the table under subsection (b) automatically reflect all adjustments for depreciation and obsolescence, including abnormal obsolescence, for special integrated steel mill or oil refinery/petrochemical equipment. The equipment is entitled to all exemptions, credits, and deductions for which it qualifies.

(e) The minimum valuation limitations under 50 IAC 4.2-4-9 do not apply to special integrated steel mill or oil refinery/petrochemical equipment valued under this section. The value of the equipment is not included in the calculation of that minimum valuation limitation for the taxpayer's other assessable depreciable personal property in the taxing district.

(f) An election to value special integrated steel mill or oil refinery/petrochemical equipment under this section:

(1) must be made by reporting the equipment under this section on a business personal property tax return;

(2) applies to all of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment located in the state (whether owned or leased, or used as an integrated part of the equipment); and

(3) is binding on the taxpayer for the assessment date for which the election is made.

The department of local government finance shall prescribe the forms to make the election beginning with the March 1, 2003, assessment

date. Any special integrated steel mill or oil refinery/petrochemical equipment acquired by a taxpayer that has made an election under this section is valued under this section.

(g) If fifty percent (50%) or more of the adjusted cost of a taxpayer's property that would, notwithstanding this section, be reported in a pool other than Pool No. 5 is attributable to special integrated steel mill or oil refinery/petrochemical equipment, the taxpayer may elect to calculate the true tax value of all of that property as special integrated steel mill or oil refinery/petrochemical equipment. The true tax value of property for which an election is made under this subsection is calculated under subsections (b) through (f).".

Page 2, line 9, after "(b)" insert "**Subject to subsections (e) and (f),**".

Page 2, line 9, delete "The" and insert "the".

Page 2, between lines 37 and 38, begin a new paragraph and insert:

"(e) The annual adjustment of the assessed value of real property that would otherwise apply under this section for property taxes first due and payable in 2007 is phased in so that:

(1) one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2007;

(2) an additional one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2008;

(3) an additional one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2009;

(4) an additional one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2010; and

(5) an additional one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2011.

(f) The adjustments under subsection (e) for taxes first due and payable in 2008, 2009, 2010, and 2011 are in addition to any adjustments determined for those years under this section, which are determined based on the assessed value determined without the application of the adjustments under subsection (e)."

Page 3, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 5. IC 6-1.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

(b) The department of local government finance shall give written

1 notice to each county assessor of:

2 (1) the availability of the United States Department of Agriculture's
3 soil survey data; and

4 (2) the appropriate soil productivity factor for each type or
5 classification of soil shown on the United States Department of
6 Agriculture's soil survey map.

7 All assessing officials and the property tax assessment board of appeals
8 shall use the data in determining the true tax value of agricultural land.

9 (c) The department of local government finance shall by rule provide
10 for the method for determining the true tax value of each parcel of
11 agricultural land.

12 (d) This section does not apply to land purchased for industrial,
13 commercial, or residential uses.

14 **(e) Before the assessment date in 2007, the department of local**
15 **government finance shall, based on the department's best**
16 **estimates, determine the base rate for the assessment date in 2007**
17 **in the amount of four hundred ninety-five dollars (\$495) per acre**
18 **multiplied by the quotient of:**

19 **(1) the remainder of:**

20 **(A) the assessed value of real property other than**
21 **agricultural land as of the assessment date in 2007; minus**

22 **(B) the sum of:**

23 **(i) the assessed value as of the assessment date in 2007 of**
24 **real property constructed after the assessment date in**
25 **2001; plus**

26 **(ii) the assessed value as of the assessment date in 2007 of**
27 **real property used, as described in subsection (g), as of the**
28 **assessment date in 2007 for a purpose different from the**
29 **use as of the assessment date in 2001; plus**

30 **(iii) the combined amount of deductions under**
31 **IC 6-1.1-12-37 that apply as of the assessment date in 2007**
32 **to the assessed value of real property other than**
33 **agricultural land; divided by**

34 **(2) the remainder of:**

35 **(A) the assessed value of real property other than**
36 **agricultural land as of the assessment date in 2001; minus**

37 **(B) the sum of:**

38 **(i) the assessed value as of the assessment date in 2001 of**

1 the real property identified under subdivision (1)(B)(ii);
 2 plus
 3 (ii) the combined amount of deductions under
 4 IC 6-1.1-12-37 that applied as of the assessment date in
 5 2001 to the assessed value of real property other than
 6 agricultural land.

7 (f) This subsection applies to each calendar year after 2007.
 8 Before the assessment date in the current year, the department of
 9 local government finance shall, based on the department's best
 10 estimates, determine the base rate for the assessment date for the
 11 current year in the amount of the base rate determined under
 12 subsection (e) or this subsection for the assessment date in the
 13 immediately preceding year multiplied by the quotient of:

14 (1) the remainder of:

15 (A) the assessed value of real property other than
 16 agricultural land as of the assessment date in the current
 17 year; minus

18 (B) the sum of:

19 (i) the assessed value as of the assessment date in the
 20 current year of real property constructed after the
 21 assessment date in the immediately preceding year; plus

22 (ii) the assessed value as of the assessment date in the
 23 current year of real property used, as described in
 24 subsection (g), as of the assessment date in the current year
 25 for a purpose different from the use as of the assessment
 26 date in the immediately preceding year; plus

27 (iii) the combined amounts of deductions under
 28 IC 6-1.1-12-37 that apply as of the assessment date in the
 29 current year to the assessed value of real property other
 30 than agricultural land; divided by

31 (2) the remainder of:

32 (A) the assessed value of real property other than
 33 agricultural land as of the assessment date in the immediately
 34 preceding year; minus

35 (B) the sum of:

36 (i) the assessed value as of the assessment date in the
 37 immediately preceding year of the real property identified
 38 under subdivision (1)(B)(ii); plus

(ii) the combined amount of the deductions under IC 6-1.1-12-37 that applied as of the assessment date in the immediately preceding year to the assessed value of real property other than agricultural land.

(g) For purposes of subsections (e)(1)(B)(ii) and (f)(1)(B)(ii), use of real property as of the current assessment date that is different from the use as of a previous assessment date is evidenced by:

(1) for a reason other than a change in the rules of the department of local government finance, applicability as of the current assessment date of an assessment methodology under the rules for the assessment of real property different from the assessment methodology that applied for the previous assessment date; or

(2) eligibility status of the real property as of the current assessment date for a credit or deduction under this article different from the eligibility status as of the previous assessment date resulting from a reason other than a failure to properly apply for a credit or deduction.

(h) For the assessment of agricultural land for assessment dates to which the real property assessment guidelines of the department of local government finance apply, the base rate determined by the department of local government finance under this section is substituted for the base rate in those guidelines.

(i) Immediately after determining a base rate under subsection (e) or (f), the department shall report the base rate to:

(1) the legislative council in an electronic format under IC 5-14-6;

(2) county assessors; and

(3) township assessors."

Page 3, single block indent lines 11 through 13.

Page 4, line 14, delete "For".

Page 4, line 15, delete "calendar year 2005 and each preceding calendar year,".

Page 4, line 15, delete "the" and insert "The".

Page 4, between lines 19 and 20, begin a new paragraph and insert:

"(b) With respect to the general reassessment of real property that is to commence on July 1, 2009, the county council of each county shall, for property taxes due in 2006, 2007, 2008, and 2009,

- 1 levy in each year against all the taxable property in the county an
- 2 amount equal to one-fourth (1/4) of the remainder of:
- 3 (1) the estimated costs referred to in section 28.5(a) of this
- 4 chapter; minus
- 5 (2) the amount levied under this section by the county council
- 6 for property taxes due in 2004 and 2005."
- 7 Page 4, line 20, after "(b)" insert "(c)".
- 8 Page 4, line 20, reset in roman "With respect to a general
- 9 reassessment of real property that is to".
- 10 Page 4, line 21, reset in roman "commence on July 1,".
- 11 Page 4, line 21, after "2007," insert "**2014**".
- 12 Page 4, line 21, reset in roman "and each".
- 13 Page 4, line 21, after "fourth" insert "**fifth**".
- 14 Page 4, line 21, reset in roman "year thereafter, the county".
- 15 Page 4, reset in roman line 22.
- 16 Page 4, line 23, reset in roman "general reassessment is to commence
- 17 and the".
- 18 Page 4, line 23, after "(3)" insert "**four (4)**".
- 19 Page 4, line 23, reset in roman "years preceding".
- 20 Page 4, reset in roman line 24.
- 21 Page 4, line 25, reset in roman "equal to".
- 22 Page 4, line 25, after "(1/4)" insert "**one-fifth (1/5)**".
- 23 Page 4, line 25, reset in roman "of the estimated".
- 24 Page 4, line 25, after "cost" insert "**costs**".
- 25 Page 4, line 25, reset in roman "of the general".
- 26 Page 4, line 26, delete "reassessment." and insert "reassessment
- 27 **under section 28.5 of this chapter.**".
- 28 Page 4, line 27, after "(c)" insert "**(d)**".
- 29 Page 4, line 27, reset in roman "The department of local government
- 30 finance shall give to each".
- 31 Page 4, reset in roman lines 28 through 29.
- 32 Page 4, delete lines 30 through 34.
- 33 Page 4, line 35, delete "(c)" and insert "**(e)**".
- 34 Page 5, line 9, delete "(d)" and insert "**(f)**".
- 35 Page 5, line 10, after "(b)" insert "**or (c)**".
- 36 Page 5, line 19, delete "(e)" and insert "**(g)**".
- 37 Page 5, line 20, delete "(d)," and insert "**(f)**".
- 38 Page 5, line 27, delete "and money from property taxes imposed

- 1 under section".
- 2 Page 5, line 28, delete "27.5(b) of this chapter".
- 3 Page 6, line 10, delete "The county treasurer shall transfer".
- 4 Page 6, delete lines 11 through 12.
- 5 Page 7, line 7, delete "or" and insert "**of**".
- 6 Page 7, line 18, delete "or" and insert "**of**".
- 7 Page 9, line 22, after "from" insert "**the**".
- 8 Page 9, line 22, delete "funds." and insert "**property reassessment**
- 9 **fund.**".
- 10 Page 10, line 28, delete "county funds are" and insert "**money in the**
- 11 **county's property reassessment fund is**".
- 12 Page 10, line 30, delete "county" and insert "**county's property**
- 13 **reassessment fund**".
- 14 Page 17, line 3, after "commission or" delete "the".
- 15 Page 17, line 28, delete ":".
- 16 Page 17, line 29, delete "(1) before January 1, 2006,".
- 17 Page 17, run in lines 28 through 29.
- 18 Page 17, line 30, delete ";" and insert ".".
- 19 Page 17, line 30, delete "and".
- 20 Page 17, delete lines 31 through 32.
- 21 Page 18, delete lines 31 through 42.
- 22 Delete pages 19 through 22.
- 23 Page 23, delete lines 1 through 38, begin a new paragraph and insert:
- 24 "SECTION 16. IC 6-1.1-17-13 IS AMENDED TO READ AS
- 25 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) ~~Except as~~
- 26 ~~provided in subsection (b);~~ Ten (10) or more taxpayers **or one (1)**
- 27 **taxpayer that owns property that represents at least ten percent**
- 28 **(10%) of the taxable assessed valuation in the political subdivision**
- 29 may initiate an appeal from the county board of tax adjustment's action
- 30 on a political subdivision's budget by filing a statement of their
- 31 objections with the county auditor. The statement must be filed not later
- 32 than ten (10) days after the publication of the notice required by section
- 33 12 of this chapter. The statement shall specifically identify the
- 34 provisions of the budget and tax levy to which the taxpayers object.
- 35 The county auditor shall forward the statement, with the budget, to the
- 36 department of local government finance.
- 37 ~~(b) This subsection applies to provisions of the budget and tax levy~~
- 38 ~~of a political subdivision.~~

(1) against which an objection petition was filed under section 5(b) of this chapter; and

(2) that were not changed by the fiscal body of the political subdivision after hearing the objections.

A group of ten (10) or more taxpayers may not initiate an appeal under subsection (a) against provisions of the budget and tax levy if less than seventy-five percent (75%) of the objecting taxpayers with respect to the objection petition filed under section 5(b) of this chapter were objecting taxpayers with respect to the objection statement filed under subsection (a) against those provisions.

(b) The department of local government finance shall:

(1) subject to subsection (c), give notice to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer, of the date, time, and location of the hearing on the objection statement filed under subsection (a);

(2) conduct a hearing on the objection; and

(3) after the hearing:

(A) consider the testimony and evidence submitted at the hearing; and

(B) mail the department's:

(i) written determination; and

(ii) written statement of findings;

to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer.

The department of local government finance may hold the hearing in conjunction with the hearing required under IC 6-1.1-17-16.

(c) The department of local government finance shall:

(1) provide written notice to:

(A) the first ten (10) taxpayers whose names appear on the petition; or

(B) the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the

political subdivision, in the case of an appeal initiated by that taxpayer; and

(2) publish notice of the hearing; at least five (5) days before the date of the hearing.

SECTION 17. IC 6-1.1-17-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in ~~subsection~~ **subsections (j) and (k)**, before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget, tax rate, or tax levy under this section, the department must hold a public hearing on the budget, tax rate, and tax levy. The department of local government finance shall hold the hearing in the county in which the political subdivision is located. The department of local government finance may consider the budgets, tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the department of local government finance shall give notice of the time and place of the hearing and of the budgets, levies, and tax rates to be considered at the hearing. The department of local government finance shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection (i), IC 6-1.1-19, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. The department of local government finance shall give the

political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has one (1) week from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office specifying how to make the required reductions in the amount budgeted for each office or department. The department of local government finance shall make reductions as specified in the political subdivision's response if the response is provided as required by this subsection and sufficiently specifies all necessary reductions. The department of local government finance may make a revision, a reduction, or an increase in a political subdivision's budget only in the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor; ~~and~~
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the first ten (10) taxpayers whose names appear on a petition filed under section 13 of this chapter; and**
- (4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.**

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

- (1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

1 (2) If the department acts under an appeal initiated by taxpayers
 2 under section 13 of this chapter, a taxpayer who signed the petition
 3 under that section.

4 (3) If the department acts under an appeal initiated by the county
 5 auditor under section 14 of this chapter, the county auditor.

6 **(4) A taxpayer that owns property that represents at least ten**
 7 **percent (10%) of the taxable assessed valuation in the political**
 8 **subdivision.**

9 The petition must be filed in the tax court not more than forty-five (45)
 10 days after the department certifies its action under subsection (f).

11 (h) The department of local government finance is expressly directed
 12 to complete the duties assigned to it under this section not later than
 13 February 15th of each year for taxes to be collected during that year.

14 (i) Subject to the provisions of all applicable statutes, the department
 15 of local government finance may increase a political subdivision's tax
 16 levy to an amount that exceeds the amount originally fixed by the
 17 political subdivision if the increase is:

18 (1) requested in writing by the officers of the political subdivision;

19 (2) either:

20 (A) based on information first obtained by the political
 21 subdivision after the public hearing under section 3 of this
 22 chapter; or

23 (B) results from an inadvertent mathematical error made in
 24 determining the levy; and

25 (3) published by the political subdivision according to a notice
 26 provided by the department.

27 (j) The department of local government finance shall annually review
 28 the budget of each school corporation not later than April 1. The
 29 department of local government finance shall give the school
 30 corporation written notification specifying any revision, reduction, or
 31 increase the department proposes in the school corporation's budget. A
 32 public hearing is not required in connection with this review of the
 33 budget.

34 **(k) The department of local government finance may hold a**
 35 **hearing under subsection (c) only if the notice required in**
 36 **IC 6-1.1-17-12 is published at least ten (10) days before the date of**
 37 **the hearing."**

38 Page 27, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 17. IC 6-1.1-21.8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall determine the terms of a loan made under this chapter. However, the interest charged on the loan may not exceed the percent of increase in the United States Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers during the most recent twelve (12) month period for which data is available as of the date that the unit applies for a loan under this chapter. In the case of a qualified taxing unit that is not a school corporation or a public library (as defined in IC 20-14-1-2), a loan must be repaid not later than ten (10) years after the date on which the loan was made. In the case of a qualified taxing unit that is a school corporation or a public library (as defined in IC 20-14-1-2), a loan must be repaid not later than eleven (11) years after the date on which the loan was made. A school corporation or a public library (as defined in IC 20-14-1-2) is not required to begin making payments to repay a loan until after June 30, 2004. The total amount of all the loans made under this chapter may not exceed twenty-eight million dollars (\$28,000,000). The board may disburse the proceeds of a loan in installments. However, not more than one-third (1/3) of the total amount to be loaned under this chapter may be disbursed at any particular time without the review of the budget committee and the approval of the budget agency.

(b) A loan made under this chapter shall be repaid only from:

(1) property tax revenues of the qualified taxing unit that are subject to the levy limitations imposed by IC 6-1.1-18.5 or IC 6-1.1-19; ~~or~~

(2) in the case of a school corporation, the school corporation's debt service fund; or

~~(2)~~ **(3)** any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment of principal constitutes a first charge against the property tax revenues described in subdivision (1) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

(c) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.

(d) Whenever the board receives a payment on a loan made under this

1 chapter, the board shall deposit the amount paid in the counter-cyclical
2 revenue and economic stabilization fund.

3 (e) This section does not prohibit a qualified taxing unit from
4 repaying a loan made under this chapter before the date specified in
5 subsection (a) if a taxpayer described in section 3 of this chapter
6 resumes paying property taxes to the qualified taxing unit.

7 (f) Interest accrues on a loan made under this chapter until the date
8 the board receives notice from the county auditor that the county has
9 adopted at least one (1) of the following:

10 (1) The county adjusted gross income tax under IC 6-3.5-1.1.

11 (2) The county option income tax under IC 6-3.5-6.

12 (3) The county economic development income tax under
13 IC 6-3.5-7.

14 Notwithstanding subsection (a), interest may not be charged on a loan
15 made under this chapter if a tax described in this subsection is adopted
16 before a qualified taxing unit applies for the loan."

17 Page 27, strike line 33.

18 Page 27, line 34, strike "(2)" and insert "**(1)**".

19 Page 27, line 35, strike "(3)" and insert "**(2)**".

20 Page 27, line 36, strike "(4)" and insert "**(3)**".

21 Page 27, line 37, strike "(5)" and insert "**(4)**".

22 Page 30, between lines 5 and 6, begin a new paragraph and insert:

23 "SECTION 17. IC 6-1.1-31.5-5 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The department
25 may revoke a certification issued under section 2 of this chapter for at
26 least three (3) years if it determines:

27 (1) that information given by an applicant was false; or

28 (2) the product, provider, or service certified does not meet the
29 minimum requirements of the department.

30 (b) If a certification is revoked, any Indiana contract that the provider
31 has is void and the contractor may not receive any additional funds
32 under the contract.

33 (c) An individual at least eighteen (18) years of age who resides in
34 Indiana and any corporation that satisfies the requirements of this
35 chapter and the rules of the department may be certified as:

36 (1) a software ~~or computer operating system~~ provider;

37 (2) a service provider; or

38 (3) a computer equipment provider.

(d) A person may not sell, buy, trade, exchange, option, lease, or rent ~~computer operating systems~~, software, computer equipment, or service to a county under this chapter without a certification from the department.

(e) A contract for computer software, computer equipment, a computer operating program or computer system service providers under this chapter must contain a provision specifying that the contract is void if the provider's certification is revoked.

(f) The department may not limit the number of systems or providers certified by this chapter so long as the system or provider meets the specifications or standards of the department."

Page 30, delete lines 16 through 42.

Delete page 31.

Page 32, delete lines 1 through 17.

Page 33, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 23. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] **IC 6-1.1-3-23, as amended by this act, applies only to property taxes first due and payable after December 31, 2004.**"

Page 34, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 27. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "assessment date" has the meaning set forth in IC 6-1.1-1-2.**

(b) For the property tax assessment of agricultural land for assessment dates in 2005 and 2006, the statewide agricultural land base rate value of eight hundred eighty dollars (\$880) per acre is substituted for the statewide agricultural land base rate value of one thousand fifty dollars (\$1,050) per acre in the real property assessment guidelines of the department of local government finance that apply for those assessment dates.

(c) This SECTION expires January 1, 2008.

SECTION 28. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-1 apply throughout this SECTION.**

(b) As used in this SECTION, "taxpayer" means a nonprofit corporation that is an owner of land and improvements:

(1) that were:

(A) owned and occupied by the taxpayer during the period preceding the assessment date in 1999 and continuing

1 through the date that this SECTION is effective; and

2 (B) used to prepare and create a soccer facility to provide
3 youths with the opportunity to play supervised and organized
4 soccer against other youths;

5 (2) for which the property tax liability imposed for property
6 taxes first due and payable in 2000, 2001, 2002, 2003, and 2004
7 exceeded thirty-three thousand dollars (\$33,000), in total,
8 which has been paid by the taxpayer;

9 (3) that would have qualified for an exemption under
10 IC 6-1.1-10 from property taxes first due and payable in 2000,
11 2001, 2002, 2003, and 2004 if the taxpayer had complied with
12 the filing requirements for the exemption in a timely manner;
13 and

14 (4) that have been granted an exemption under IC 6-1.1-10
15 from property taxes first due and payable in 2005.

16 (c) Land and improvements described in subsection (b) are
17 exempt under IC 6-1.1-10-16 from property taxes first due and
18 payable in 2000, 2001, 2002, 2003, and 2004, notwithstanding that
19 the taxpayer failed to make a timely application for the exemption
20 on or before May 15 of the years listed in this subsection.

21 (d) The taxpayer may file claims with the county auditor for a
22 refund for the amounts paid toward property taxes on land and
23 improvements described in subsection (b) that were billed to the
24 taxpayer for property taxes first due and payable in 2000, 2001,
25 2002, 2003, and 2004. The claims must be filed as set forth in
26 IC 6-1.1-26-1(1) through IC 6-1.1-26-1(3). The claims must present
27 sufficient facts for the county auditor to determine whether the
28 claimant is a person that meets the qualifications described in
29 subsection (b) and the amount that should be refunded to the
30 taxpayer.

31 (e) Upon receiving a claim filed under this SECTION, the county
32 auditor shall determine whether the claim is correct. If the county
33 auditor determines that the claim is correct, the county auditor
34 shall submit the claim under IC 6-1.1-26-4 to the county board of
35 commissioners for review. The only grounds for disallowing the
36 claim under IC 6-1.1-26-4 are that the claimant is not a person that
37 meets the qualifications described in subsection (b) or that the
38 amount claimed is not the amount due to the taxpayer. If the claim

1 is allowed, the county auditor shall, without an appropriation being
 2 required, issue a warrant to the claimant payable from the county
 3 general fund for the amount due the claimant under this
 4 SECTION. The amount of the refund must equal the amount of the
 5 claim allowed. Notwithstanding IC 6-1.1-26-5, no interest is payable
 6 on the refund.

7 (f) This SECTION expires December 31, 2007.

8 SECTION 29. [EFFECTIVE UPON PASSAGE] (a) The definitions
 9 in IC 6-1.1-1 apply throughout this SECTION.

10 (b) A religious institution may file an application under
 11 IC 6-1.1-11 before May 11, 2005, for exemption of one (1) or more
 12 parcels of real property for property taxes first due and payable in
 13 2001 and 2002 if:

14 (1) the religious institution did not file an application under
 15 IC 6-1.1-11 for exemption of the real property with respect to
 16 property taxes first due and payable in 2001 or 2002;

17 (2) the religious institution acquired the real property after
 18 December 31, 1998; and

19 (3) the real property was exempt from property taxes for
 20 property taxes first due and payable in 2000.

21 (c) If a religious institution files an exemption application under
 22 subsection (b):

23 (1) the exemption application is subject to review and action
 24 by:

25 (A) the county property tax assessment board of appeals; and

26 (B) the department of local government finance; and

27 (2) the exemption determination made under subdivision (1) is
 28 subject to appeal;

29 in the same manner that would have applied if an application for
 30 exemption had been timely filed in 2000 and 2001.

31 (d) If an exemption application filed under subsection (b) is
 32 approved, the religious institution may file a claim under
 33 IC 6-1.1-26-1 with the county auditor for a refund for any payment
 34 of property taxes first due and payable in 2001 and for any
 35 payment of property taxes first due and payable in 2002, including
 36 any paid interest and penalties, with respect to the exempt
 37 property.

38 (e) Upon receiving a claim for a refund filed under subsection (d),

1 the county auditor shall determine whether the claim is correct. If
 2 the county auditor determines that the claim is correct, the auditor
 3 shall, without an appropriation being required, issue a warrant to
 4 the claimant payable from the county general fund for the amount
 5 of the refund due the claimant. Interest is not payable on the
 6 refund.

7 (f) If an exemption application filed under subsection (b) is
 8 approved, the county treasurer shall forgive the interest and
 9 penalties charged to the religious institution for the exempt
 10 property in 2001 and 2002 to the extent of the approved
 11 exemptions.

12 (g) This SECTION expires January 1, 2006.

13 SECTION 30. [EFFECTIVE UPON PASSAGE] (a) The definitions
 14 in IC 6-1.1-1 apply throughout this SECTION.

15 (b) A religious institution may file an application under
 16 IC 6-1.1-11 before August 1, 2005, for exemption of one (1) or more
 17 parcels of real property for property taxes first due and payable in
 18 2001, 2002, 2003, 2004, and 2005 if:

19 (1) the religious institution did not file an application under
 20 IC 6-1.1-11 for exemption of the real property with respect to
 21 property taxes first due and payable in 2001, 2002, 2003, 2004,
 22 or 2005;

23 (2) the religious institution acquired the real property after
 24 December 31, 1999, for charitable or religious purposes;

25 (3) it is determined that the real property is exempt or would
 26 have been exempt from property taxes for property taxes first
 27 due and payable after December 31, 1999; and

28 (4) the religious institution:

29 (A) has occupied the real property for the years described in
 30 subdivision (1); and

31 (B) has used the real property for its religious or charitable
 32 purposes in the years described in subdivision (1).

33 (c) If a religious institution files an exemption application under
 34 subsection (b):

35 (1) the exemption application is subject to review and action
 36 by:

37 (A) the county property tax assessment board of appeals; and

38 (B) the department of local government finance; and

1 (2) the exemption determination made under subdivision (1) is
2 subject to appeal;
3 in the same manner that would have applied if an application for
4 exemption had been timely filed in 2000, 2001, 2002, 2003, and
5 2004.

6 (d) The religious institution may file a claim under IC 6-1.1-26-1
7 with the county auditor for a refund for any payment of property
8 taxes first due and payable in 2001, 2002, 2003, 2004, and 2005,
9 including any paid interest and penalties, with respect to the
10 exempt property if:

11 (1) an exemption application filed under subsection (b) is
12 approved; and

13 (2) the religious institution has paid any property taxes in 2001,
14 2002, 2003, 2004, and 2005 attributable to the exempt property.

15 (e) Upon receiving a claim for a refund filed under subsection (d),
16 the county auditor shall determine whether the claim is correct. If
17 the county auditor determines that the claim is correct, the auditor
18 shall, without an appropriation being required, issue a warrant to
19 the claimant payable from the county general fund for the amount
20 of the refund due the claimant. Interest is not payable on the
21 refund.

22 (f) If:

23 (1) the religious institution incurred property tax liabilities in
24 any combination of 2001, 2002, 2003, 2004, or 2005 because of
25 the failure to properly apply for a property tax exemption for
26 the religious institution's real property described in subsection
27 (a); and

28 (2) an exemption application filed under subsection (b) is
29 approved;

30 the county treasurer of the county in which the real property is
31 located shall forgive the property taxes, penalties, and interest
32 charged to the religious institution for the exempt property in any

- 1 **combination of 2001, 2002, 2003, 2004, or 2005.**
- 2 **(g) This SECTION expires January 1, 2006."**
- 3 Renumber all SECTIONS consecutively.
 (Reference is to SB 327 as reprinted March 1, 2005.)

and when so amended that said bill do pass.

Representative Espich